



A BILL FOR AN ORDINANCE

RELATING TO THE ESTABLISHMENT OF THE WAIKIKI TRANSPORTATION
MANAGEMENT ASSOCIATION SPECIAL IMPROVEMENT DISTRICT NO. 4.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose and Council findings. The purpose of this ordinance is to establish a Waikiki Transportation Management Association special improvement district to provide for and finance supplemental services and improvements in and to Waikiki as authorized by Chapter 36, Revised Ordinances of Honolulu 1990 ("ROH").

The Council finds:

- (1) The proceedings establishing the Waikiki Transportation Management Association special improvement district were valid and in conformity with ROH Chapter 36;
- (2) Sufficient public notice of the public hearing was given as required by law. Reasonable efforts were not necessary to give notice to all landowners within the district of the public hearing on this ordinance;
- (3) The non-application of a special assessment and the corresponding zero rate and lack of a method of apportionment, all of which are waived in the Waikiki Transportation Management Association special improvement district plan attached as Exhibit A to this ordinance, are reasonable; and
- (4) Written protests have not been filed in such percentage as to prevent the establishment of the district under ROH Section 36-2.4.

SECTION 2. Establishment of District No. 4.

There is hereby established in the City and County of Honolulu the Waikiki Transportation Management Association special improvement district no. 4. Such district is established in accordance with the terms of ROH Chapter 36 and the Waikiki Transportation Management Association special improvement district plan attached as Exhibit A to this ordinance and incorporated as part of this ordinance.

The Revisor of Ordinances shall insert a note at the end of ROH Chapter 36 that the Waikiki Transportation Management Association special improvement district has been established by this ordinance. The note shall not be deemed part of the Chapter.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL **64 (2017)**

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SECTION 3. Amendments to district plan.

The Waikiki Transportation Management Association special improvement district plan shall not be amended except in accordance with ROH Chapter 36, Article 4 or Article 5. This provision shall not require an amendment described under ROH Section 36-4.1(b) to be approved in accordance with Article 4 or 5.

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:



DATE OF INTRODUCTION:

MAY 30 2017

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

KIRK CALDWELL, Mayor
City and County of Honolulu

EXHIBIT A

WAIKIKI TRANSPORTATION MANAGEMENT ASSOCIATION SPECIAL IMPROVEMENT DISTRICT PLAN

THIS WAIKIKI TRANSPORTATION MANAGEMENT ASSOCIATION SPECIAL IMPROVEMENT DISTRICT PLAN ("Plan") was prepared and sponsored by the Waikiki Improvement Association pursuant to Section 46-80.5 of the Hawaii Revised Statutes and Chapter 36 of the Revised Ordinances of Honolulu 1990 ("ROH").

1. Name of the District. The name of this special improvement district ("District") shall be the "City and County of Honolulu Special Improvement District No. 4 (Waikiki Transportation Management Association)." It shall commonly be referred to as the "Waikiki Transportation Management Association" or the "WTMA."

2. Term of the District. The initial term of the District is for five years, which is automatically renewed unless an ordinance terminating the District is adopted, in which case operations of the District shall cease, except that the term of the District cannot expire until all debt service on bonds and incidental expenses and supplemental services expenses are fully paid or irrevocable provision for such payment has been made.

3. Boundaries of the District. The boundaries of the District are shown on the map attached hereto as Attachment 1 and made a part hereof. The District shall include the area generally bounded by the Ala Wai Canal, the shoreline and Kapahulu Avenue.

4. The District Association and District Board. The District Association established for the Waikiki Transportation Management Association Special Improvement District ("District Association"), will be incorporated under HRS Chapter 414D, the Hawaii Nonprofit Corporation Act. The District Association will be organized for the purpose of selecting the Board of Directors of the District Association ("Board"), which will execute the responsibilities and activities prescribed in this Plan on behalf of the District Association.

(a) *IRC 501(c)(3) Status.* The District Association will be organized exclusively for charitable and educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended.

(b) *Classes of Membership.* The members of the District Association shall consist of all persons admitted as members in accordance with the WTMA's articles of incorporation, bylaws, and ROH Section 36-2.9.

(c) *District Board.* The District Association shall be governed by a Board of Directors. The Board shall consist of no more than twenty-six (26) members, who shall be elected or appointed in accordance with the articles of incorporation of, and in the manner prescribed by the bylaws of, the District Association and as follows:

(i) The non-government membership shall be composed of no more than twenty-two (22) members and shall comply with ROH Section 36-2.9.

(ii) The Mayor of the City, or the Mayor's designee, shall be a voting member.

(iii) The councilmember of the council district within which the majority of the WTMA District land area is located, or the councilmember's designated representative, shall be a voting member.

(iv) The City's director of transportation services, or such director's designated representative, shall be a voting member.

(v) The City's chief engineer of the department of facility maintenance, or such chief engineer's designated representative, shall be a nonvoting member.

(vi) The City's director of budget and fiscal services, or such director's designated representative, shall be a nonvoting member.

(vii) The chair of Waikiki Neighborhood Board No. 9, or such chair's designated representative, shall be a voting member.

5. Supplemental Services. The following supplemental services are intended to be provided and financed by the District:

(a) Transportation management including traffic operations, parking control and supply development, mobility enhancements for all modes of travel, physical and operational access improvements, information displays, and the installation and maintenance of related electronic devices. These supplemental services will involve the following.

(i) Development of a Waikiki Transportation Management Plan (WTMP) to direct the coordinated management of Waikiki transportation operations among various public and private stakeholders toward the long term sustainability of Waikiki;

(ii) Funding of a WTMA office to oversee development of the WTMP;

(iii) Implementation of the WTMP, including coordination of contributions of private funding to specific WTMA improvement projects; and

(iv) Funding of WTMA implementation coordinators to oversee and coordinate implementation of the WTMP overall and as to specific Waikiki transportation operations improvement projects.

(b) Transportation improvements to promote business activity in the district, including:

- (i) Construction and installation of landscaping, planting, and park areas;
- (ii) Construction of lighting facilities;
- (iii) Construction of physically aesthetic and decorative safety fixtures, equipment, and facilities;
- (iv) Construction of improvements to enhance security of persons and property within the district;
- (v) Construction of pedestrian overpasses and underpasses and connections between buildings;
- (vi) Closing, opening, widening, or narrowing of existing streets;
- (vii) Construction of ramps, sidewalks, plazas, and pedestrian malls;
- (viii) Rehabilitation or removal of existing structures as required;
- (ix) Removal and relocation of utilities and utility vaults as required;
- (x) Construction of parking lot and parking garage facilities;
- (xi) Construction of fixtures, equipment, facilities, and appurtenances as may enhance the movement, convenience, and enjoyment of the public and be of economic benefit to District properties such as: bus stop shelters; benches and street furniture; booths, kiosks, display cases and exhibits; signs; receptacles; canopies; pedestrian shelters and fountains;

(c) The operation, maintenance, removal, and replacement of any other supplemental service or improvement allowed by all applicable laws, rules, and regulations.

(d) It is the intent of the District not to affect the level of services being provided by the City within the District boundary. Those services currently do not include the increased level of transportation management needed within Waikiki to adequately respond to numerous traffic operations, parking control, and enforcement issues as documented in recent studies.

6. Incidental Expenses. The incidental expenses of the District that shall be paid with revenues of the District include management and administration expenses, other operating support expenses, and expenses incurred by the Waikiki Improvement Association in the establishment and management of the District (including, without limitation, enabling legislation and this Plan).

7. Budget.

(a) *Fiscal Year.* The WTMA District's fiscal year shall be from January 1 through December 31 of each year ("Fiscal Year"). The first Fiscal Year shall be from January 1, 2018 through December 31, 2018. A proposed budget for each Fiscal Year ("Budget") shall set forth the total amount proposed to be expended for the supplemental services and incidental expenses for such Fiscal Year.

(b) *Budget for the First Fiscal Year.* The proposed Budget for the first Fiscal Year is as follows. The Board shall, as soon as reasonably practicable after the commencement of the term of the District, adopt the actual Budget for the first Fiscal Year, which shall not exceed the proposed Budget set forth below:

REVENUES

Private Commercial Transportation Operators	\$	90,000
Property, Tenant, Management Companies & Associations	\$	10,000
Total Revenues	\$	100,000

EXPENSES

Supplemental Services

WTMA Site Specific Projects	\$	40,000
WTMA District Tasks	\$	35,000

Incidental Expenses

WTMA District Setup	\$	10,000
Waikiki Improvement Association Management Fee	\$	10,000
Reserve	\$	5,000

Total Expenses	\$	100,000
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Total Fiscal Year 2018	\$	100,000
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(c) *Subsequent Fiscal Year Budgets.* The Board shall, at least sixty (60) days prior to the beginning of each Fiscal Year (other than the first Fiscal Year), adopt a Budget for that Fiscal Year. Each Budget shall:

(i) Reasonably itemize the purposes for which monies are proposed to be expended by the District Association;

(ii) Specify the amount, if any, proposed to be expended by the District Association for debt service, if any; and

(iii) Set forth the total amount proposed to be expended.

(d) *Expenditures No Greater Than Collections and Surplus.* The total annual expenditures in any Fiscal Year's Budget shall be no greater than the aggregate amount of all monies that the District Association proposes to collect for that Fiscal Year from all funding sources permitted under this Plan and any surplus from the previous Fiscal Year.

(e) *Compliance With Budget.* The District Association shall make no expenditure other than in accordance with, and pursuant to:

(i) A Budget that has been approved by the Board; and

(ii) The provisions of law and this Plan, if any, providing for the satisfaction of outstanding obligations of the District Association.

(f) *Modifications to Budget.* The Board may revise the line items within any Budget; provided, however, that debt service obligations for the subject Fiscal Year shall be satisfied. If, in any Fiscal Year, the revenues and surplus of the District are not equal to or greater than, in the aggregate, the amount required to cover the expenditures for that Fiscal Year, the Board may choose not to implement any or all of the non-debt service expenditures set forth in the Budget.

(g) *Reimbursement of Advances.* The Waikiki Improvement Association ("WIA") has advanced and will advance, prior to the receipt by the District Association of the first Fiscal Year's Revenue (defined below), funds to establish and administer the WTMA District. The District Board will enter into an agreement with WIA to repay such advanced funds on such terms as shall be determined by the Board. Nothing in this Plan shall preclude the Board from approving Budgets that contain expenditures to reimburse WIA for the funds it advanced to establish the WTMA District and to conduct this Plan.

8. Sources of Funding.

(a) *Generally.* The proposed sources of funding for all (i) supplemental services, and (ii) incidental expenses of the District contemplated in this Plan, shall be the sources of funding described in this section. Subject to requirements

of law, the Board may apply all monies derived from the sources of funding permitted herein toward funding any expenditure permitted under this Plan.

(b) *Assessments.* Funds will be available sufficient to pay for the costs of the supplemental services and incidental expenses and no assessment will be levied against any parcel of land in the District unless provided for in an amendment to this Plan and a special assessment ordinance in accordance with ROH Chapter 36, Article 4.

(c) *Notice of Assessment.* The City, through its Department of Budget and Fiscal Services, shall not be required to notify landowners in accordance with ROH Section 36-3.6 since there will be no assessment.

(d) *Revenue and Capital Sources.* The Board, on behalf of the District Association, may accept dues, fees, grants, and donations from private institutions, the City, State government, Federal government, other public entities, individuals, and other not-for-profit organizations. It is authorized to apply for and receive grants and funding from any entity that offers funding that fulfills the WTMA's purpose.

(e) *Other.* The District Association may obtain revenues from any other sources of funding not heretofore mentioned in accordance with law.

(f) *Bonds.* Bonds are not planned at this time to finance supplemental improvements in the District. Any future bond will require an amendment to this Plan and a bond ordinance in accordance with ROH Chapter 36, Article 7.

9. City Services.

(a) *Base Line Services Agreement.* The City and the WTMA Board shall execute a Base Line Services Agreement which shall include at least the following:

(i) An identification of the City services provided within Waikiki during the City's fiscal year 2016-2017, which are to be "Base Line Services" subject to this Section and the agreement;

(ii) A pledge by the City that the Base Line Services shall not be decreased to levels below those provided during the most recent fiscal year except as provided under subsection (b);

(iii) A pledge by the WTMA Board to fund and provide the supplemental services specified in the WTMP;

(b) *Base Line Service Changes.* The City may change the method of delivering a Base Line Service to promote efficiency or effectiveness. Any such change shall be made only after the City has notified the Board in writing of such proposed adjustment and has discussed the same with the Board.

10. Indemnification and Insurance.

(a) The District Association shall indemnify, defend, and hold harmless the City and its officers and employees against any claim arising out of an act or omission of the District Association or its Board, directors, officers, employees, contractors, or agents in executing this Plan or otherwise performing the duties of the District.

(b) The District Association also shall obtain and maintain in force insurance against liability arising out of an act or omission of the District Association or its Board, directors, officers, or employees in executing this Plan or otherwise performing the duties of the District, in amounts satisfactory to the City's Corporation Counsel.

ATTACHMENT A

WAIKIKI TRANSPORTATION MANAGEMENT ASSOCIATION SPECIAL IMPROVEMENT DISTRICT BOUNDARY

